R4105-3

STATISTICAL BULLETIN

Highlights

- LABOR MARKET SIGNALS ARE MIXED
- CONSUMER SPENDING POWER IS SLOWING A LITTLE, BUT SPENDING ITSELF HAS REBOUNDED; EVEN CAR SALES ARE UP
- THE PACE OF NEW ORDERS IS SLOW
- INDUSTRIAL OUTPUT GROWTH IS SLUGGISH, AND CAPACITY UTILIZATION RATES HAVE STABILIZED
- ON THE INFLATION WATCH: PRICE INCREASES ARE SLOWING, AND ARE UNLIKELY TO QUICKEN IN THE SECOND HALF OF 1989
- OUTLOOK • U.S. ECONOMIC GROWTH WILL BE MODERATE AT BEST THROUGH THE SECOND HALF OF 1989, AND MAY COME TO A HALT EARLY NEXT YEAR.

Volume 22, No. 8, August, 1989

CONTENTS

Comment	2-3
Status of Leading Economic Indicators	4
Diffusion Indexes	5
Business Executives' Expectations	5
Economic Forecasts	6-7
Key Determinants of Profit Margins	8
Selected International Comparisons	9
Help-wanted Advertising Indexes	10
Consumer Confidence and Expectations	11
Capital Appropriations	11
Automobile Sales	12

The Conference Board

THE CONFERENCE BOARD'S STATISTICAL BULLETIN COMMENTARY

OVERVIEW: In June, signs of economic cooling were widespread—in consumer spending, the labor market, home building, industrial production, even inventory. Over the next four weeks, however, lower unemployment, higher retail sales (including car sales), and gains in construction were reported. Meanwhile, consumer optimism remains undiminished.

One thing has not changed. The consensus of the **Economic Forecasts** is that **economic growth** will probably average only about 1½% in the second half of 1989, and may slow even further in the first half of next year. Why? Last month, we listed four developments to watch for. First, the rise in exports might slow, especially with the dollar up so sharply. It is much too early to expect the dollar runup to be felt, but export growth has indeed slowed. Second, any slowing in profits could put a dent in strong business investment. Third, there is always the chance of an unintended inventory buildup. Right now that seems unlikely. Finally, the speed and extent of further declines in interest rates will help shape the speed and extent of any economic cooling. As of early August, interest rates were still falling.

DOMESTIC MARKET MONITOR

Just when the labor market seemed to be cooling off, the July report has come along with signs of some unexpected strength. The average workweek in private industry jumped by 0.3 hours in July. Thus, despite a slight job decline in the cyclically sensitive durable-goods industries, total hours worked in private industry rose sharply. Moreover, the average hourly pay rate rose by 0.7 percent. That may be good news for consumer income and spending but it raises questions about just how quiet the inflation front will remain for the rest of this year.

Overall, economy watchers still expect slower growth in the labor market. The Conference Board's **Help-wanted Index**, a measure of labor demand, fell in June, and early returns to the July survey indicate that it remained below the level of two months earlier. Finally, the consensus of the **Economic Forecasts** is still for a rise in unemployment to just under 6% by this time next year, suggesting the cooling off of the labor market will be quite mild and probably short-lived.

INCOME: If the longer workweek in July and the runup in average hourly pay are not statistical flukes, consumer income may rebound. Right now, income growth is somewhat sluggish. Wages in commodity-producing industry were no higher in May than three months earlier. Wages in the "other industry" category were 2% higher. Actually, only the former represents slowing; the second figure shows essentially no change in the trend. Assuming that the July numbers on hourly pay and workweek were aberrations, the main story is one of slower income growth, to be followed, no doubt, by slower growth in spending.

Nonauto Consumer credit demand was quite strong through June. Moreover, a rebound of sorts in car sales in July probably quickened the pace in auto loans. Clearly, credit demand was not weakening in June, though it is expected to do so by late summer.

Less robust job growth and slower pay raises until July have barely affected consumer attitudes. The Conference Board's **Consumer Confidence Index** was at the same level in July as in February. The **Expectations** component, which measures appraisal of job and pay prospects over the next six months, however, was 0.1% lower. Consumers seem untroubled by warnings from professional market watchers that economic activity will soon slow down. Moreover, while the consensus of the experts is that interest rates will continue to fall, more than half of the survey respondents still expect rates to be higher 12 months from now.

SPENDING: Consumer buying has several times shown signs of slowing down, only to gather a second or third wind. It is happening again. Retail sales of durables, except cars, were 1.8% higher in June than three months earlier, mainly reflecting sharp gains in furniture and appliances. Those are exactly the big ticket items—a fair share of which are financed purchases —that had been expected to show the most softening. However, these purchases do not necessarily benefit domestic producers. With the dollar again strengthening this year, imports may offer the kind of bargains for which consumers are willing to go further into debt.

CONSTRUCTION: Home buying has yet to rebound, but it easily could. New single-family home sales were 0.6% lower in June than three months earlier. But with consumer confidence steadfastly optimistic, and mortgage rates finally coming down, home sales are unlikely to continue falling and could turn around a little. Builders are stepping up activity in anticipation of such a change. That is one reason why total hours worked in construction rose by 0.7% in July.

PRODUCTION: As recently as June, investment and export growth were the positives while softer demand for consumer durables and government spending on hardware were the negatives. But then export growth slowed while consumer spending on furniture and appliances picked up. Still, output of consumer durable goods was 0.2% lower in June than three months earlier. Output of business equipment was 1% higher.

Ken Goldstein, Editor

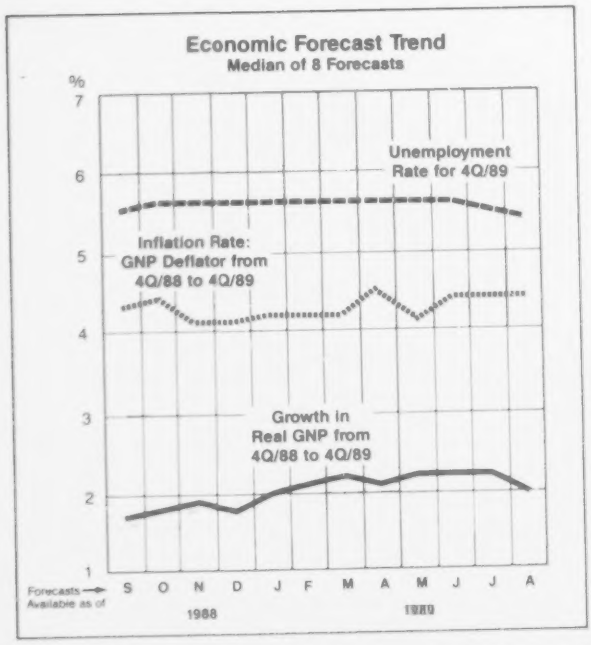
STATISTICAL BULLETIN (ISSN 0010-5554), published monthly by The Conference Board, Inc., 845 Third Avenue, New York, N.Y. 10022. Printed in New York, N.Y. Second-class postage paid at New York, N.Y. POSTMASTER: Send address changes to The Conference Board, 845 Third Avenue, New York, N.Y. 10022

© 1989 The Conference Board, Inc.
845 Third Avenue
New York, N.Y. 10022

The Conference Board, Inc.
Avenue Louise, 207-Bte 5
B-1050 Brussels, Belgium

The Conference Board, Inc.
1755 Massachusetts Avenue, N.W., Suite 312
Washington, D.C. 20036

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario, K1H-8M7



Nevertheless, industrial conditions are unlikely to gain momentum. Indeed, industry executives do not expect much near term change. The Conference Board's **Measure of Business Confidence** was unchanged in the second quarter of 1989. And expectations for their own industries and for the economy were slightly lower in the second quarter than in the fourth quarter of 1988. In fact, business confidence has been eroding in the past four quarterly surveys.

Another reason why industrial conditions may not strengthen is that new orders are relatively slow. Orders for durable goods, except defense-related materiel, were only 0.4% higher in June than three months earlier. Nevertheless, the ratio of unfilled orders to shipments was 3.3% higher. Producers have apparently slowed the pace of filling orders, stretching out the work flow. Keep in mind that employment in durable-goods manufacturing has been flat. These data suggest that producers do not expect a sharp rise in work orders anytime soon.

INVENTORY: Although producers have scaled back the work flow, inventory continued to rise. Total inventory, except cars at the retail level, was 1.6% higher in May than three months earlier. But stronger consumer buying of furniture and appliances in June, with no rise in the production of consumer durables, suggests the rise in nonauto inventory probably stopped. In any event, unintended inventory accumulation is not a feature of the economic landscape this summer.

INFLATION: With inflation concerns abating, interest rates have fallen. New data continue to point toward subdued inflation. Prices of raw industrial materials fell in July for the third straight month. Farm prices fell for the second month in a row. Wholesale prices for crude materials, except food and energy, fell for the fourth straight month. The consensus of the **Economic Forecasts** is that the CPI is rising at about a 4% annual rate in the third quarter of 1989 and will stay between 4% and 4½% through the end of 1990, assuming economic growth slows in the second half of this year.

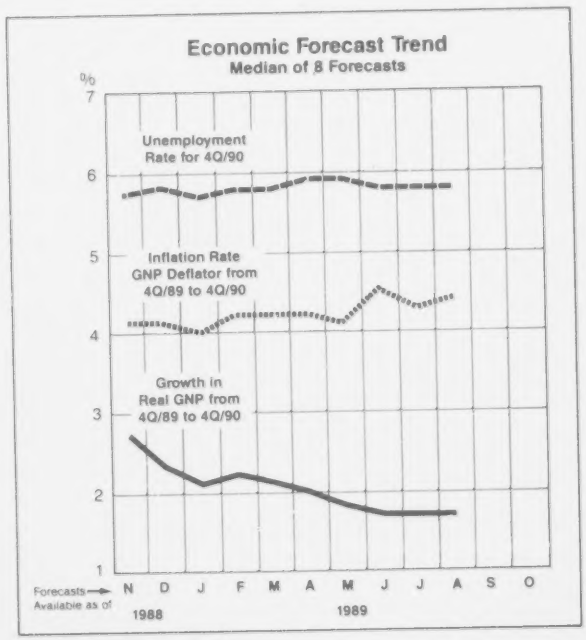
INTERNATIONAL MONITOR

Slow import growth may prove temporary. Total imports of manufactured goods were only 0.3% higher in May than two months earlier. But imports of consumer goods were 4.4% higher—and consumer buying quickened in June. Moreover, the recent strengthening of the dollar will enhance the price competitiveness of imports, and that could well increase market penetration and continue to impede efforts to close the trade imbalance.

In contrast, exports of manufactured goods were 4.7% lower in May than two months earlier—though the level is still higher at mid-year than it was in late 1988. The strong economic growth of some of our major trading partners (see the **Selected International Comparisons** chart) has been one reason why exports rose sharply earlier this year. Nor has economic growth abroad suddenly cooled. That suggests that total export growth could rebound. But given the strength in imports, the trade imbalance is not likely to narrow much.

Slower domestic economic growth and declining interest rates helped stem the rapid rise in the dollar, despite a reduced threat of inflation. In fact, the combination of somewhat lower interest rates and little upward movement in the dollar's exchange value translated to little change in the **Domestic-International Discomfort Index (DIDI)** in June and July, after the rapid improvement in May.

Ken Goldstein
August 11, 1989

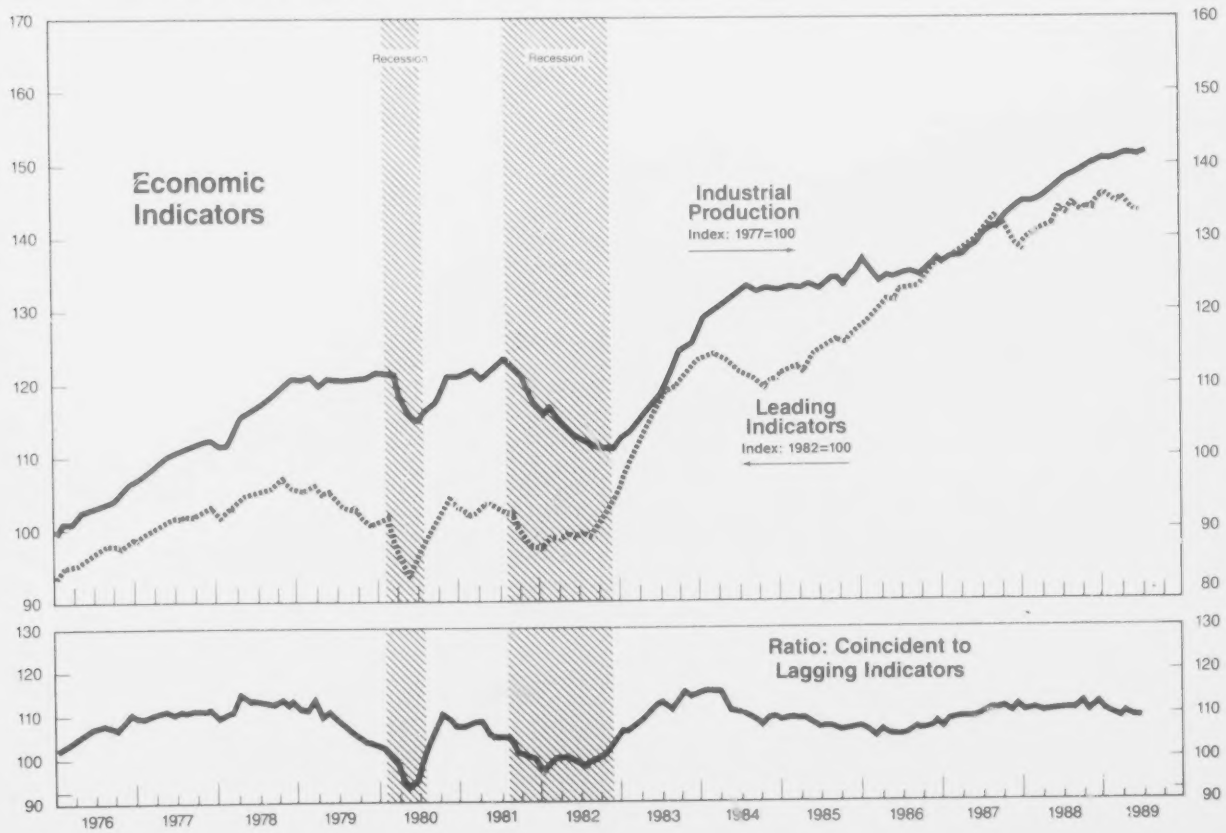


STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over Latest Three Months	Change from Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	June			X	- 0.8%	- 0.3%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	June			X	- 2.1%	2.4%
New orders, nondefense capital goods (deflated)	June			X	- 2.8%	2.4%
New business formation	May		X		0.1%	2.3%
*Housing permits	June	X			6.3%	-11.9%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	June		X		0.8%	- 1.0%
*Change in unfilled orders, mfg.	June			X	-16.5%	34.0%
Purchasing manager's buying policy	July			X	- 5.1%	9.1%
*Vendor performance, reported slower deliveries	June			X	- 7.2%	-27.6%
Industrial raw materials prices	June		X		- 1.6%	6.4%
*Change in sensitive material prices	June			X	- 86.3%	- 78.5%
Sensitive Financial Flows						
*Money balance (M2 deflated)	June			X	- 1.0%	- 2.5%
Change in business loans	May	X			31.2%	652.6%
*Consumer expectations	July	X			2.8%	3.9%
Change in consumer installment debt	May			X	-33.0%	- 6.3%
Profitability						
Total corporate profits, after tax (deflated)	1st Q			X	- 2.3%	12.0%
*Common stock prices	June	X			10.6%	19.6%
Marginal Employment Adjustments						
*Average workweek, mfg.	July		X		- 0.3hr	- 0.1hr
*Initial unemployment claims (inverted)	June			X	- 3.1%	-11.6%

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Handbook of Cyclical Indicators*, (Washington, D.C.: Government Printing Office) May, 1977.

*These twelve series make up the Composite Leading Index charted below.



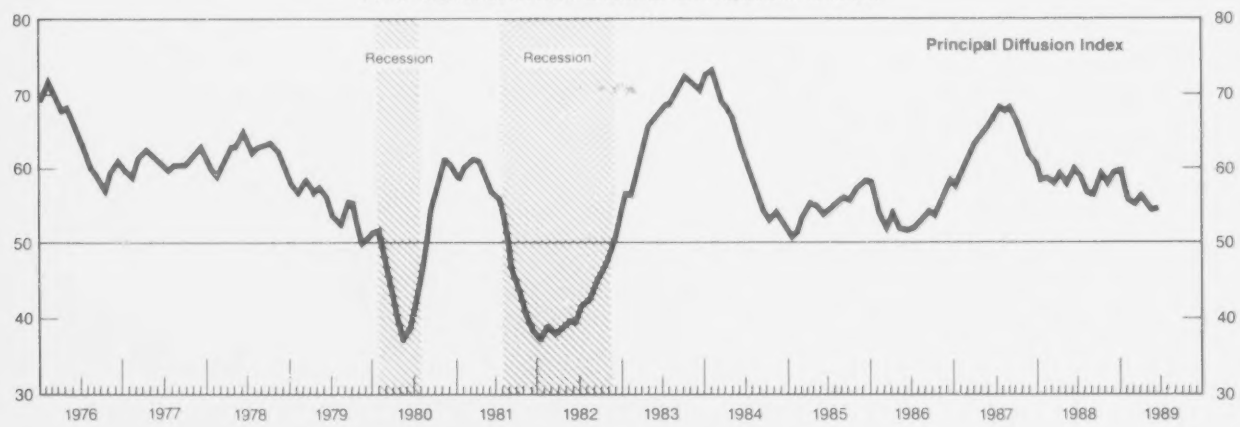
CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1988 June	1989 Mar.	1989 Apr.	1989 May	1989 June(e)
Principal Diffusion Index	60.3r	55.0r	56.2r	54.4r	54.6
Auxillary Diffusion Index	58.9r	48.9r	54.0r	44.2r	50.6
Industrial Group	57.2	52.5	56.3	54.2	52.6
Nonindustrial Group	63.4r	57.4r	56.0r	54.6r	56.5
Sense of Diffusion	1	1	1	1	1
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	56.8	63.2	68.8	64.1r	69.7
Labor	56.2	47.1	48.6	47.3r	41.2
Miscellaneous	60.3	50.0	57.1	56.4	55.8
Nonindustrial Subgroups					
Prices	59.6	60.3	59.6	59.0	58.3
Consumer	66.2r	56.4r	57.7r	58.5r	54.3
Building	59.9	56.4	47.4	46.8	53.8
Miscellaneous	65.4	57.3r	57.7r	53.0r	59.4

Note: The principal diffusion index reflects the frequency of rises in 20 component series over the 12-month period ending in the month indicated. The index is based on the direction of change, not the magnitude of change, from month to month. Each component series carries equal weight in the index, but the direction of recent changes is weighted more heavily than are earlier changes. If, for example, 10 component series rose and 10 declined in each of the last 12 months, the current index would be higher than 50 because the data over the latest six-month period are weighted more heavily than data from the earlier six-month period. On the other hand, if all 20 series rose in each of the last six months, after declining in each of the prior six months, weighting would make the current index considerably greater than 50. See Morton Ehrlich, "Using The Conference Board's Diffusion Indexes," The Conference Board *RECORD*, July, 1966.

e-estimate r-revised

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1986		*1987*				*1988*				*1989*	
	Aug.	*Nov.*	*Feb.*	*May*	*Aug.*	*Nov.*	*Feb.*	*May*	*Aug.*	*Nov.*	*Feb.*	*May*
	Score (scale 0-100)											
Measure of Business Confidence	50	51	55	55	59	47	51	58	56	51	48	48
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	44	50	56	55	62	50	49	64	65	54	52	48
2. Expectations for Economy, Six Months Ahead	52	51	54	53	56	43	50	54	51	48	43	47
3. Expectations for Own Industry, Six Months Ahead	54	53	56	56	58	48	54	55	53	51	48	50

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question,and the overall Measure of Business Confidence, thus can range from 0 to 100.

ECONOMIC FORECASTS

			U.C.L.A.[1] Business Forecasting Project		Merrill Lynch[1] Capital Markets		E.I. duPont[1] de Nemours & Co.		Georgia State University[1]	
Date of Forecast			*July, 1989*		*July, 1989*		*July, 1989*		*July, 1989*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product Billions of Current Dollars										
Actual	**1989**	**II**	**$5194.9**	**6.6%**	**$5194.9**	**6.6%**	**$5194.9**	**6.6%**	**$5194.9**	**6.6%**
Forecast	1989	III	5254.6	4.7	5255.5	4.7	5271.8	6.1	5291.8	7.7
		IV	5319.4	5.0	5310.3	4.2	5342.3	5.5	5365.0	5.6
	1990	I	5389.5	5.4	5392.5	6.3	5406.4	4.9	5422.7	4.4
		II	5462.0	5.5	5484.3	7.0	5470.8	4.9	5468.6	3.4
		III	5541.0	5.9	5584.6	7.5	5547.3	5.7	5529.5	4.5
		IV	5633.3	6.8	5684.8	7.4	5624.4	5.7	5626.7	7.2
	1991	I	5753.0	8.8			5723.8	7.3		
		II	5871.4	8.5			5829.6	7.6		
		III	5985.5	8.0			5941.8	7.9		
	1989	Annual	5220.5	7.0	5218.5	6.9	5230.5	7.2	5241.2	7.4
	1990	Annual	5506.5	5.5	5536.6	6.1	5512.2	5.4	5511.9	5.2
Gross National Product Billions of Constant (1982) Dollars										
Actual	**1989**	**II**	**$4123.9**	**1.7%**	**$4123.9**	**1.7%**	**$4123.9**	**1.7%**	**$4123.9**	**1.7%**
Forecast	1989	III	4138.1	1.4	4120.9	-0.3	4138.0	1.4%	4150.5	2.6
		IV	4151.1	2.3	4114.9	-0.6	4151.0	1.3	4162.9	1.2
	1990	I	4157.9	0.7	4130.7	1.5	4162.0	1.1	4164.9	0.2
		II	4174.6	1.6	4156.0	2.5	4173.0	1.1	4158.6	-0.6
		III	4195.5	2.0	4184.5	2.8	4193.0	1.9	4163.8	0.5
		IV	4223.3	2.7	4210.8	2.5	4213.0	1.9	4192.6	2.8
	1991	I	4263.5	3.9			4243.0	2.9		
		II	4303.5	3.8			4277.0	3.2		
		III	4337.1	3.2			4315.0	3.6		
	1989	Annual	4130.0	2.6	4116.6	2.3	4129.9	2.6	4136.0	2.8
	1990	Annual	4187.8	1.4	4170.5	1.3	4185.3	1.3	4170.0	0.8
Gross National Product deflator Index, 1982 = 100										
Actual	**1989**	**II**	**126.0**	**4.8%**	**126.0**	**4.8%**	**126.0**	**4.8**	**126.0**	**4.8%**
Forecast	1989	III	127.0	3.2	127.5	5.1	127.4	4.6%	127.5	4.9
		IV	128.1	3.7	129.1	4.8	128.7	4.1	128.9	4.4
	1990	I	129.6	4.7	130.5	4.7	129.9	3.8	130.2	4.2
		II	130.8	3.8	132.0	4.4	131.1	3.7	131.5	4.1
		III	132.1	3.8	133.5	4.6	132.3	3.7	132.8	4.0
		IV	133.4	4.0	135.0	4.7	133.5	3.7	134.2	4.3
	1991	I	134.9	4.7			134.9	4.3		
		II	136.4	4.5			136.3	4.2		
		III	138.0	4.7			137.7	4.2		
	1989	Annual	126.4	4.2	126.8	4.5	126.6	4.4	126.7	4.5
	1990	Annual	131.5	4.0	132.7	4.7	131.7	4.0	132.2	4.3
Unemployment Rate										
Actual	**1989**	**II**		**5.3%**		**5.3%**		**5.3%**		**5.3%**
Forecast	1989	III		5.3		5.3		5.3		5.2
		IV		5.4		5.7		5.4		5.3
	1990	I		5.5		6.0		5.6		5.2
		II		5.6		6.0		5.8		5.5
		III		5.7		5.9		6.0		5.7
		IV		5.8		5.8		6.0		5.9
	1991	I		5.[illegible]				5.8		
		II		5.[illegible]				5.7		
		III		5.5				5.5		
	1989	Annual		5.3		5.4		5.3		5.2
	1990	Annual		5.7		5.9		5.9		5.6

Notes: Percentage changes represent compound annual rates of change from perceding period. Quarterly data are seasonally adjusted.

[1]Based on preliminary second quarter data.

ECONOMIC FORECASTS (continued)

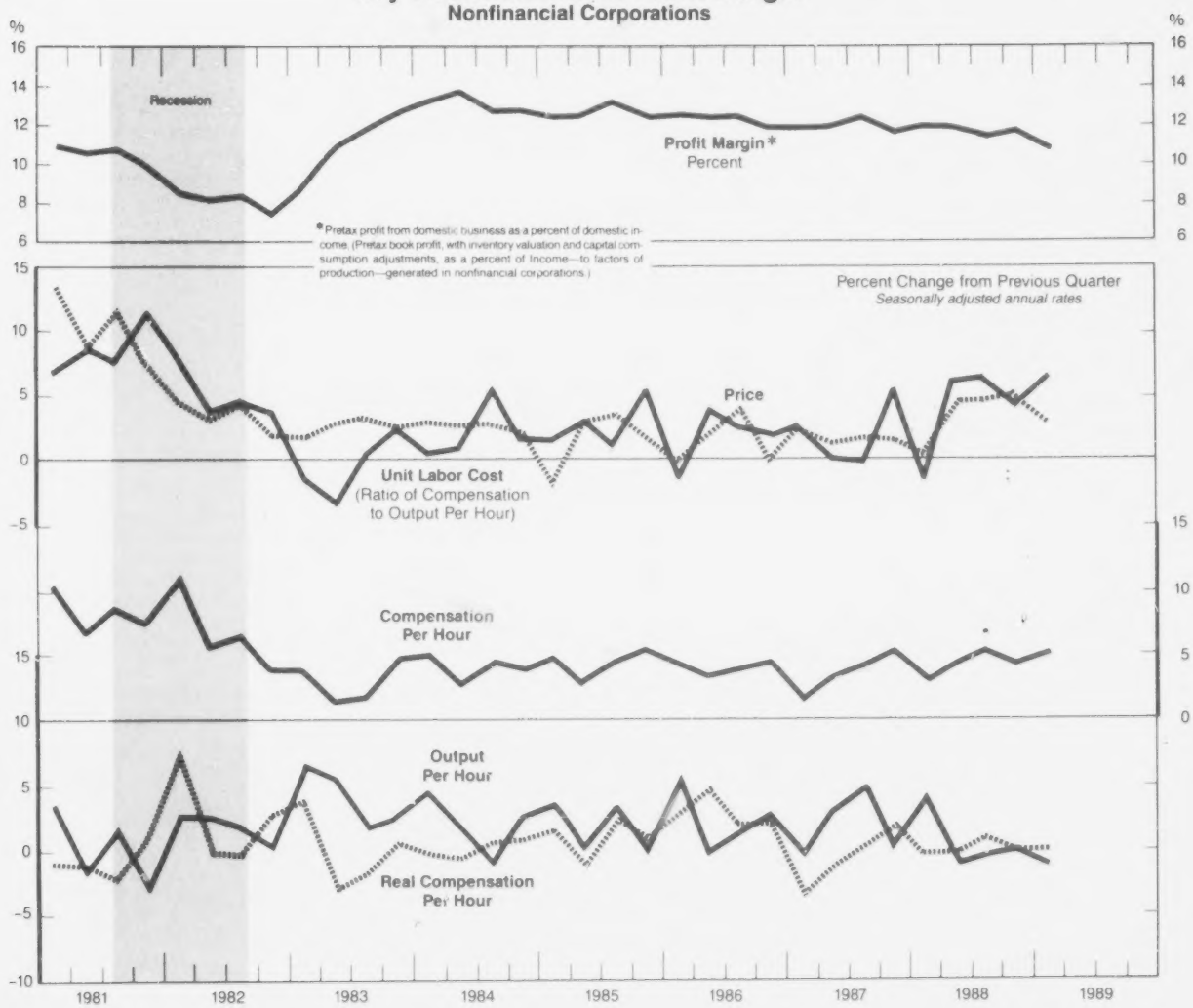
The Conference Board[1]		Laurence H. Meyer[1] Associates, Inc.[1]		Data Resources Inc.[1]		Wharton E.F.A. Inc.[1]				
July, 1989		July, 1989		July, 1989		July, 1989		Date of Forecast		
Level	Percent Change	Level	Percent Change	Level	Percent Change	Level	Percent Change			
								Gross National Product Billions of Current Dollars		
$5194.9	**6.6%**	**$5194.9**	**6.6%**	**$5194.9**	**6.6%**	**$5194.9**	**6.6%**	**II**	**1989**	**Actual**
5279.0	6.6	5259.1	5.0	5254.6	4.7	5268.2	5.8	III	1989	Forecast
5320.0	3.1	5334.9	5.9	5319.4	5.0	5343.7	5.9	IV		
5358.0	2.9	5421.0	6.6	5389.5	5.4	5432.0	6.8	I	1990	
5436.0	6.0	5494.9	5.6	5462.0	5.5	5533.6	7.7	II		
5547.0	8.4	5569.7	5.6	5541.0	5.9	5634.7	7.5	III		
5654.0	7.9	5646.5	5.6	5633.3	6.8	5741.2	7.8	IV		
		5745.4	7.2	5853.1	8.8	5753.1	8.0	I	1991	
		5837.6	6.6	5871.4	8.5	5965.8	7.9	II		
		5929.8	6.5	5985.5	8.0	6071.0	7.2	III		
5226.8	7.1	5225.5	7.1	5220.0	7.2	5230.0	7.2	Annual	1989	
5498.8	5.2	5533.0	5.9	5506.5	5.5	5585.4	6.8	Annual	1990	
								Gross National Product Billions of Constant (1982) Dollars		
$4123.9	**1.7%**	**$4123.9**	**1.7%**	**$4123.9**	**1.7%**	**$4123.9**	**1.7%**	**II**	**1989**	**Actual**
4146.9	2.2	4132.1	0.8	4138.1	1.4	4137.8	1.4	III	1989	Forecast
4136.9	-1.0	4149.8	1.7	4151.1	1.3	4151.1	1.3	IV		
4127.0	-0.9	4168.2	1.8	4157.9	0.7	4170.7	1.9	I	1990	
4146.5	1.8	4185.3	1.7	4174.6	1.6	4206.1	3.4	II		
4183.3	3.6	4203.4	1.7	4195.5	2.0	4246.2	3.9	III		
4216.3	3.2	4223.1	1.9	4223.3	2.7	4286.9	3.9	IV		
		4252.5	2.8	4263.5	3.9	4316.1	2.8	I	1991	
		4281.6	2.8	4303.5	3.8	4350.7	3.2	II		
		4310.3	2.7	4337.1	3.2	4381.6	2.9	III		
4128.6	2.6	4128.2	2.6	4130.0	2.6	4129.9	2.6	Annual	1989	
4168.5	1.0	4195.0	1.6	4187.8	1.4	4227.5	2.4	Annual	1990	
								Gross National Product deflator Index, 1982 = 100		
126.0	4.8%	126.0	4.8%	126.0	4.8%	126.0	4.8%	II	1989	Actual
128.0	6.6	127.5	5.0	127.0	3.2	127.3	4.4	III	1989	Forecast
128.3	0.9	129.1	5.1	128.1	3.7	128.7	4.5	IV		
129.5	3.9	130.6	4.8	129.6	4.7	130.2	4.8	I	1990	
131.7	6.9	131.8	3.7	130.8	3.8	131.6	4.1	II		
133.8	6.5	133.1	3.8	132.1	3.8	132.7	3.5	III		
135.2	4.2	134.3	3.8	133.4	4.0	133.9	3.7	IV		
		136.0	5.2	134.9	4.7	135.6	5.1	I	1991	
		137.3	3.7	136.4	4.5	137.1	4.5	II		
		138.5	3.6	138.0	4.7	138.6	4.2	III		
126.7	4.5	126.8	4.5	126.4	4.2	126.6	4.4	Annual	1989	
132.5	4.6	132.5	4.5	131.5	4.0	132.1	4.3	Annual	1990	
								Unemployment Rate		
	5.3%		**5.3%**		**5.3%**		**5.3%**	**II**	**1989**	**Actual**
	5.3		5.4		5.3		5.4	III	1989	Forecast
	5.5		5.5		5.4		5.6	IV		
	5.8		5.6		5.5		5.8	I	1990	
	5.9		5.7		5.6		5.8	II		
	5.8		5.7		5.7		5.7	III		
	5.5		5.6		5.8		5.5	IV		
			5.5		5.7		5.4	I	1990	
			5.5		5.6		5.3	II		
			5.3		5.5		5.2	III		
	5.3		5.3		5.3		5.4	Annual	1989	
	5.8		5.7		5.7		5.7	Annual	1990	

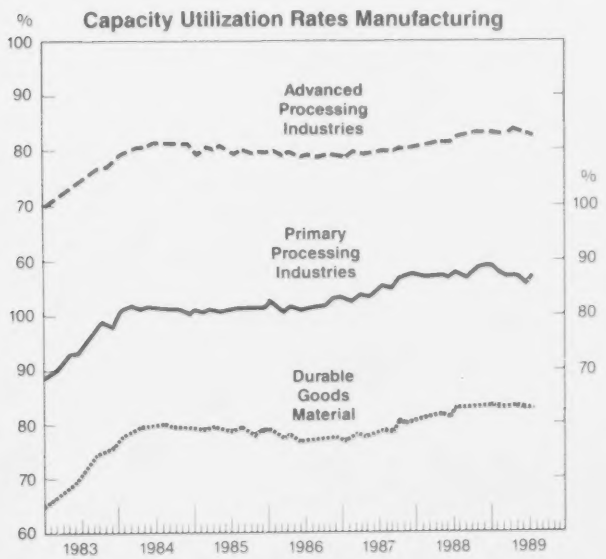
CBDB

ATTENTION DATA USERS: All data in this publication are available ONLINE in our statistical database, CBDB. For more information, contact Linette Waters at (212) 759-0900.

Key Determinants of Profit Margin

Nonfinancial Corporations

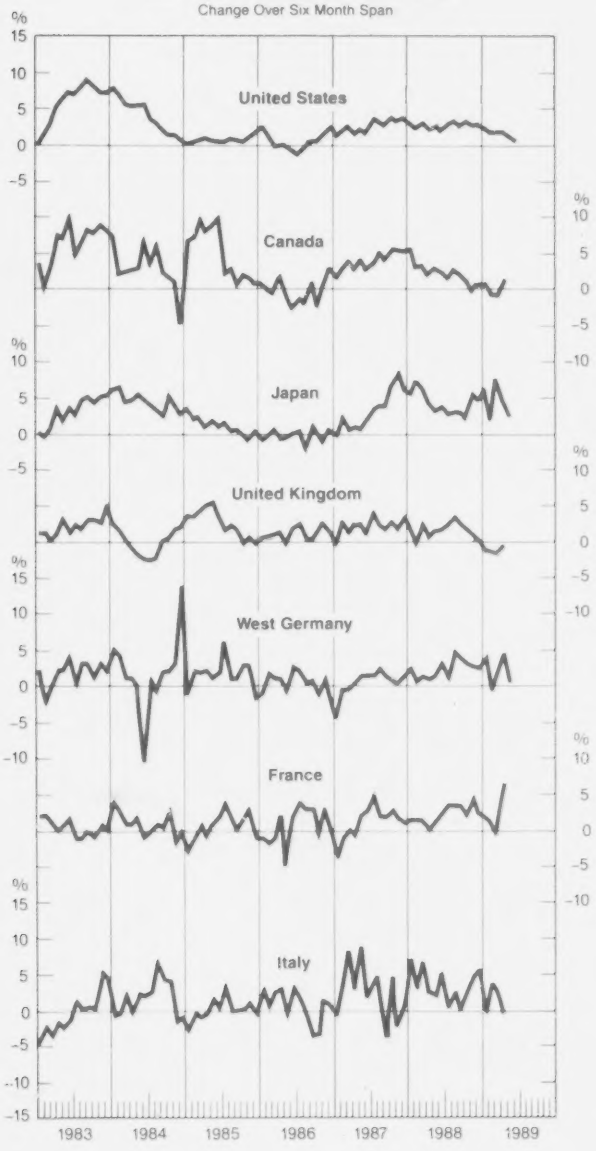




Selected International Comparisons

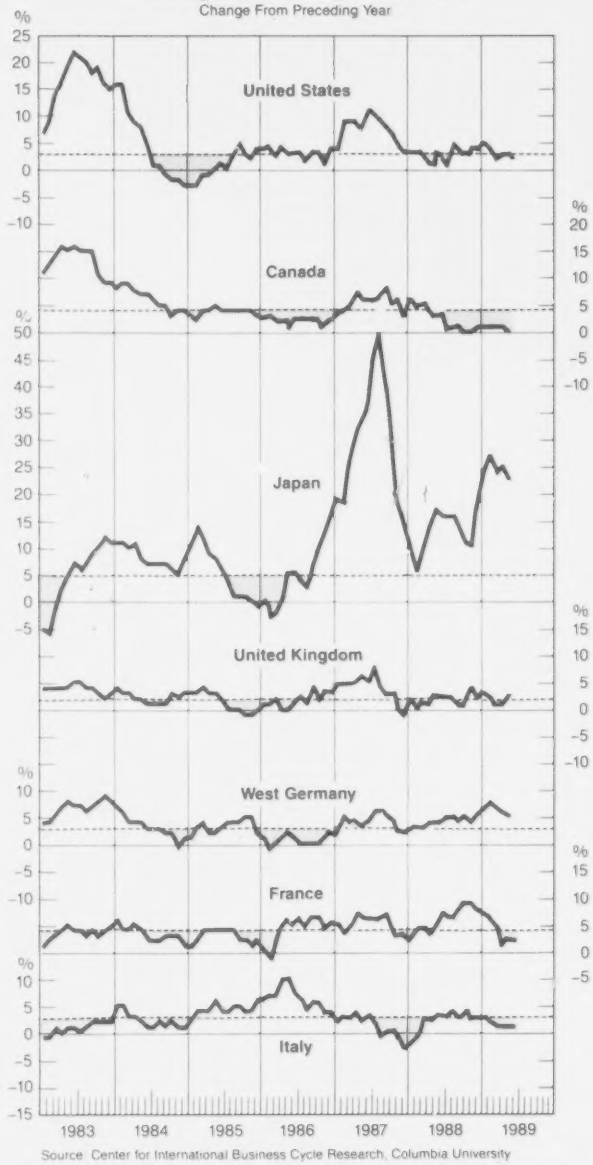
Industrial Production Indexes

Change Over Six Month Span

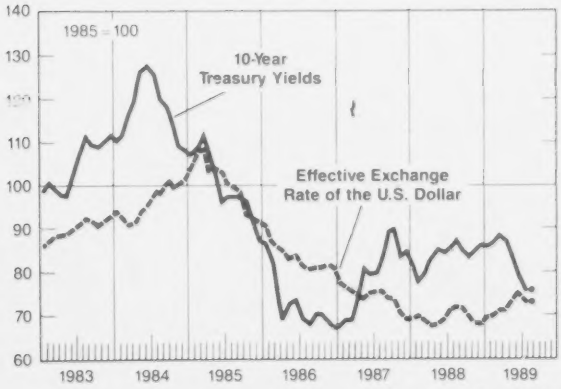


Leading Business Cycle Indexes

Change From Preceding Year

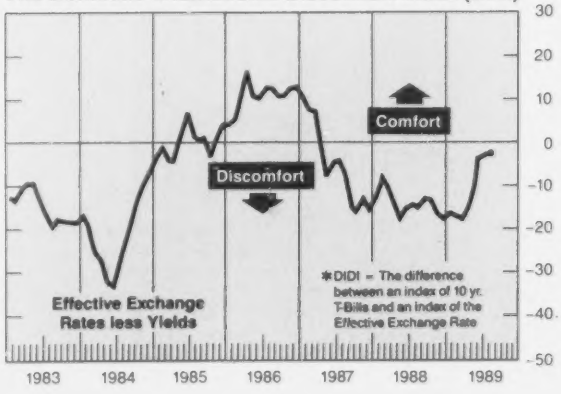


Source: Center for International Business Cycle Research, Columbia University



Sources: Morgan Guaranty Trust Company, Department of Treasury, *The Sommers Letter*

The Domestic-International Discomfort Index (DIDI)*



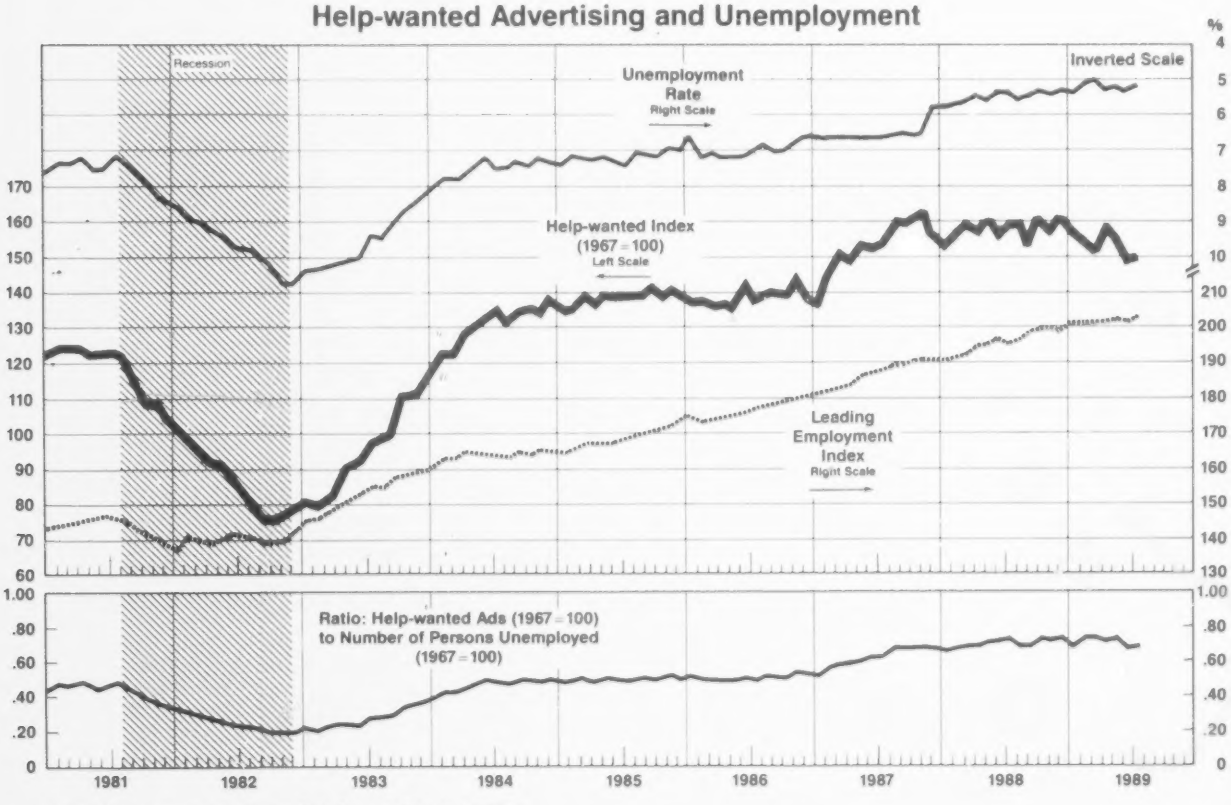
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEX

Seasonally Adjusted Indexes, 1967 = 100

Locality	1989 June	1989 May	1989 Apr.	1988 June
National Index	148	154	159	156
New England	108	113r	122	152
Boston	104	110	117	141
Hartford	108	109r	119	175
Providence	119	128	143	168
Middle Atlantic	76	80	83	87r
Albany	157	180	190	197
Allentown	353	393	354	408
New York	52	51	54	60
Philadelphia	63	67	73	71r
Pittsburgh	96	100	111	97
Rochester	94	101	104	107
Syracuse	154	160	165	156
East North Central	101	103	110	110
Chicago	104	105	112	117
Cincinnati	145	160	176	161
Cleveland	75	75	82	76
Columbus	160	N.A.	N.A.	188
Dayton	85	90	99	90
Detroit	54	55	61	58
Gary	225	226	235	224
Indianapolis	130	135	138	127
Milwaukee	N.A.	93	95	99
Toledo	124	136	148	146
West North Central	97	105	111	100
Kansas City	127	153	152	133
Minneapolis	86	84	96	93
Omaha	173	192	199	164r
St. Louis	69	72	78	71
South Atlantic	185	199	209	208
Atlanta	219	226	248	271
Baltimore	N.A.	257	236	236
Charlotte	188	195	215	194
Jacksonville	217	219	227	233
Miami	148	N.A.	N.A.	170
Richmond	152	141	164	151
Washington, D.C.	N.A.	163	179	180
East South Central	178	186	183	185
Birmingham	186	201	202	187
Knoxville	314	301	344	305
Louisville	N.A.	N.A.	N.A.	102
Memphis	142	147	155	141
Nashville	226	244	202	261
West South Central	193	186	189	190r
Dallas	154	147	143	171
Houston	299	279	280	279r
New Orleans	130	128	140	124
Oklahoma City	118	125	128	125
San Antonio	140	150	153	150
Tulsa	170	168	180	144
Mountain	306	335r	337	299
Denver	202	206r	207	197
Phoenix	355	432	441	377
Salt Lake City	439	450	441	386
Pacific	259	270	268	247r
Los Angeles	166	173	174	169
Sacramento	548	532	530	494
San Bernardino	330	351	337	270r
San Diego	654	669	668	597
San Francisco	245	269	263	242
Seattle	283	288	286	254
Percentage of papers with rising volume	18	24	86	24
Unemployment rate	5.3	5.2	5.3	5.4

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
r—revised N.A.—not available

Help-wanted Advertising and Unemployment



Source: Center for International Business Cycle Research, Columbia University

CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND EXPECTATIONS

Indexes, 1985 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1985	102.0	103.1	96.1	104.4	99.6	102.6	103.2	100.9	96.0	96.1	98.1	98.2
1986	96.9	96.0	95.1	100.0	100.2	100.0	97.5	91.7	89.7	85.9	89.7	93.2
1987	85.4	91.8	95.8	97.4	103.0	102.1	105.8	110.7	115.7	115.1	100.8	107.7
1988	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.7	110.7	116.9	112.9	119.4
1989	115.8	120.7	117.4	116.6	116.7	117.2r	120.7p					

Expectations Index

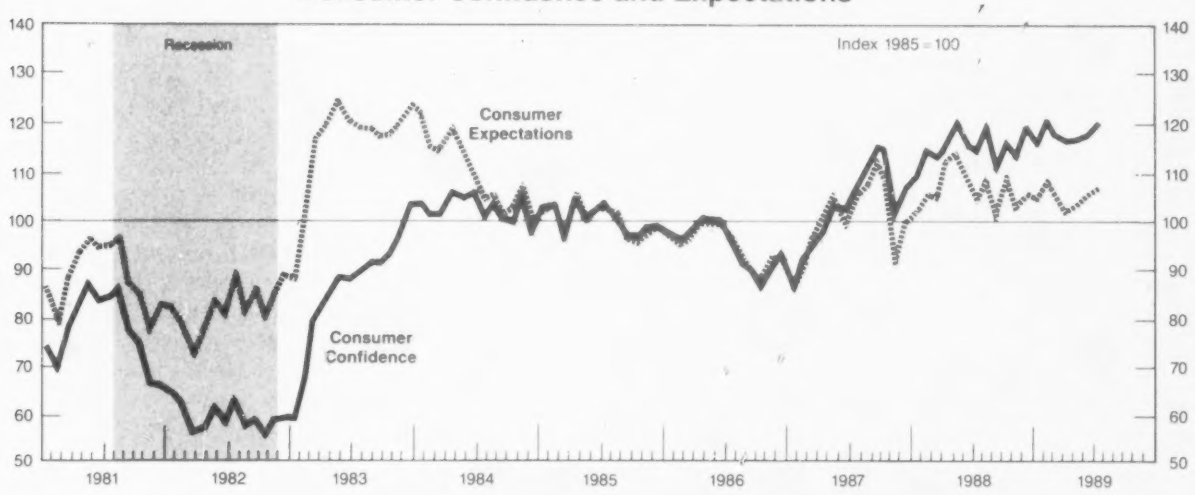
1985	102.5	103.9	95.9	105.1	99.6	102.7	102.5	102.1	96.3	94.5	96.8	98.2
1986	96.3	94.4	95.5	99.0	99.4	99.7	96.4	92.0	89.4	86.1	92.0	92.2
1987	85.6	91.8	96.8	100.5	105.6	98.2	105.6	107.5	112.5	108.9	90.9	99.6
1988	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.4	100.1	109.3	102.0	105.6
1989	104.1	108.3	104.9	101.8	103.0	105.1r	106.7p					

Confidence Index measures consumer optimism in appraising economic conditions. Expectations Index, (charted below), measures consumer attitudes with regard to business conditions and employment and income levels six months hence. Data prior to May, 1981 based on survey of families. Data after May, 1981 are based on survey of households. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc.

p—preliminary r-revised

Consumer Confidence and Expectations



CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS

Billions of Dollars, Seasonally Adjusted

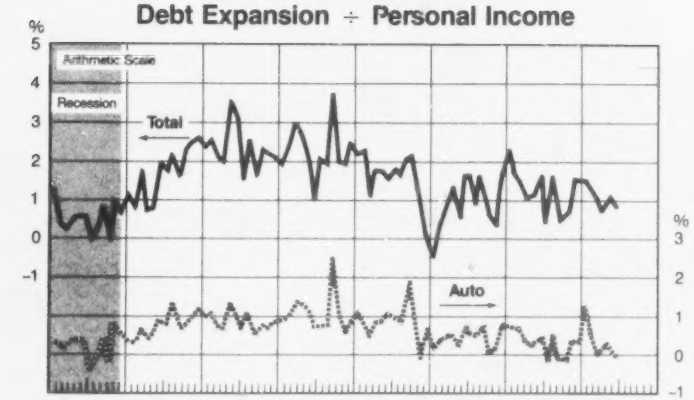
	1987			1988				Percent Change From Previous Year	
	III-87	IV-87	I-88	II-88	III-88	IV-88(r)	I-89(p)	Actual 1988	Estimate 1989
1000 LARGEST MANUFACTURING FIRMS									
New appropriations	29.561	35.909	30.846	40.686	40.384	45.279	50.009	39%	16%
Capital expenditures	27.381	29.820	29.412	31.718	36.037	35.281	35.331	33	18
Change in appropriations backlog*	-0.080	3.510	0.650	8.760	-4.110	8.630	14.340		
Durable Goods									
New appropriations	17.208	20.245	14.310	20.261	20.791	23.547	18.129	27	14
Capital expenditures	13.970	16.037	15.780	16.910	19.526	16.657	17.032	31	28
Change in appropriations backlog*	2.930	3.810	-1.600	3.670	-1.080	6.240	1.340		
Nondurable Goods									
New appropriations	12.353	15.664	16.536	20.425	19.593	21.732	31.880	52	17
Capital expenditures	13.411	13.783	13.632	14.808	16.511	18.624	18.299	35	12
Change in appropriations backlog*	-3.010	-0.300	2.250	5.090	-3.030	2.390	13.010		

Available on request: Historical data from 1953, and quarterly reports containing text and data for 17 separate manufacturing industries.

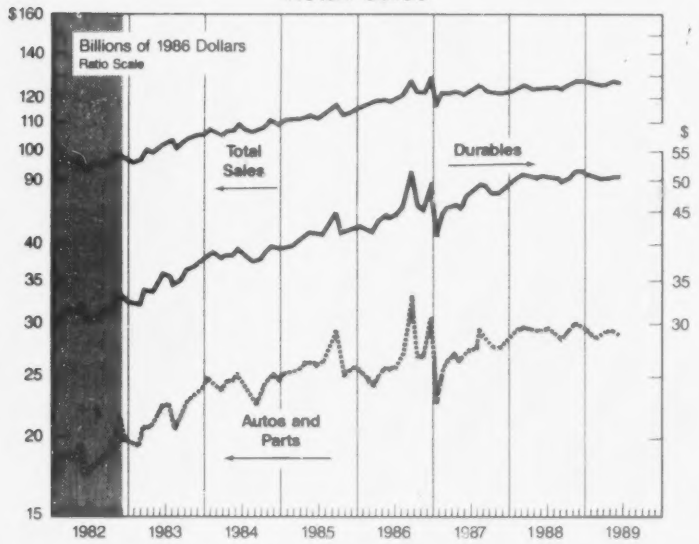
r—revised p—preliminary

* Change in Backlog = New Appropriations – (Expenditures + Cancellations and Other Adjustments).

Consumer Installment Debt Expansion ÷ Personal Income



Retail Sales



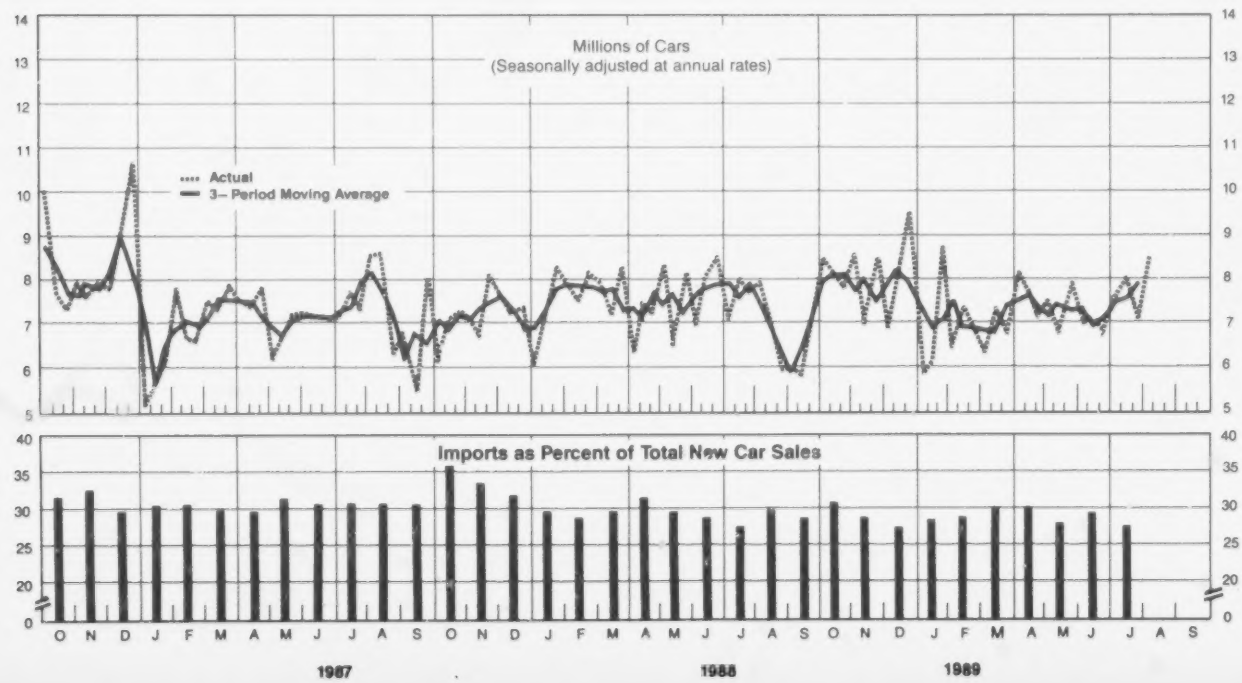
CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods		1986	1987	1988	1989
January:	1-10	8.37	5.15	6.06	5.86
	11-20	8.74	5.52	7.29	6.06
	21-31	8.26	6.13	8.25	8.64
February:	1-10	7.88	7.78	7.83	6.40
	11-20	8.95	6.64	7.44	7.37
	21-28(29)	6.15	6.58	8.17	6.86
March:	1-10	7.69	7.53	7.81	6.32
	11-20	7.57	7.27	7.13	7.28
	21-31	6.52	7.81	8.28	6.74
April:	1-10	8.79	7.48	6.33	8.18
	11-20	7.06	7.34	7.43	7.66
	21-30	7.75	7.76	7.23	7.03
May:	1-10	8.62	6.16	8.36	7.49
	11-20	8.86	6.66	6.53	6.72
	21-31	7.33	7.19	8.12	7.99
June:	1-10	8.48	7.21	6.88	6.93
	11-20	8.04	7.13	8.00	7.09
	21-30	8.39	7.99	8.48	6.74
July:	1-10	8.10	7.10	7.02	7.56
	11-20	7.28	7.68	7.99	8.03
	21-31	7.97	7.29	7.69	7.10
August:	1-10	7.63	8.55	7.95	8.46
	11-20	7.34	8.60	7.01	
	21-31	8.08	6.26	5.92	
September:	1-10	14.00	6.74	5.93	
	11-20	8.83	5.45	5.80	
	21-30	8.62	8.03	7.40	
October:	1-10	10.04	6.13	8.43	
	11-20	7.67	7.10	8.08	
	21-31	7.27	7.24	7.78	
November:	1-10	7.96	7.15	8.55	
	11-20	7.59	6.68	6.97	
	21-30	7.89	8.09	8.46	
December:	1-10	7.75	7.60	6.84	
	11-20	8.77	7.22	8.31	
	21-31	10.68	7.31	9.54	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically.) Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board. Prior data available upon request.

Domestic—Model Car Sales


Millions of Cars
(Seasonally adjusted at annual rates)
Actual
3– Period Moving Average
Imports as Percent of Total New Car Sales
O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S
1987
1988
1989